



**Blue Bell Creameries, L.P.**

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May 2, 2005

The Honorable Kevin P. Brady  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Brady:

I am writing on behalf of Blue Bell Creameries to express our support for the U.S. Free Trade Agreement with Central America and the Dominican Republic (CAFTA-DR). Ratifying this Agreement would enable the U.S. dairy industry to export more dairy products duty-free and to have increased access to more competitively priced sugar.

The CAFTA-DR Agreement benefits all of U.S. agriculture, including dairy producers and processors. In 2004, U.S. dairy exports to the CAFTA-DR nations were valued at \$80 million. This region is the fifth largest foreign market for U.S. dairy manufacturers and represents a growing opportunity for the industry. Currently, our trade is impaired because duties on U.S. dairy exports to these countries range anywhere from 15% to 80%. Both producers and processors agree that implementing CAFTA-DR would greatly benefit the U.S. dairy industry by increasing the duty-free access for a variety of dairy exports including whey, lactose, cheese, milk powder, butter and ice cream to name a few.

In addition, passage of CAFTA-DR would grant U.S. dairy processors more access to imported sugar. Under the proposed trade agreement, U.S. companies could import 109,000 metric tons of sugar from the CAFTA-DR nations within the first year and would grow to about 153,000 metric tons annually over 15 years. Though this amount represents only a minimal percentage of the U.S. sugar market, the inclusion of sugar in the trade agreement is an important step forward in allowing U.S. dairy processors access to more competitively priced world sugar. If U.S. companies were able to purchase sugar at world prices, the dairy industry could save as much as \$110 million without causing any harm to the domestic U.S. sugar industry.

For these reasons, I urge you to support passage of CAFTA-DR when it comes up for a vote in Congress. CAFTA-DR is important to the dairy industry and is critical to the U.S. trade agenda. Expanded trade opportunities for dairy moves the industry forward toward a more progressive and productive future.

Please feel free to contact me directly or our trade association, the International Dairy Foods Association in Washington, DC, at (202) 737-4332 for more information.

Sincerely,

S  
Paul W. Kruse  
C.E.O. & President

PWK:rmg